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Table with subscription rates for various countries including France, Germany, Italy, etc.

ESTABLISHED 1887

U.S. Rebound Will Soon Gain Steam, The Fed Says

Skeptical Democrats Urge 'Other Methods' To Bolster the Economy

By Lawrence Malkin International Herald Tribune. NEW YORK — Alan Greenspan on Tuesday offered Congress a mildly upbeat forecast from the Federal Reserve...



Prime Minister Yitzhak Rabin of Israel, left, responding to a question at news conference in Cairo on Tuesday with Egypt's president, Hosni Mubarak.

Mubarak Will Go To Israel in First Visit by Egyptian Leader Since '77

By Chris Hedges New York Times Service. CAIRO — President Hosni Mubarak of Egypt, after meeting with Prime Minister Yitzhak Rabin of Israel for 90 minutes, accepted an invitation to visit Israel...

BA Lands an American Gateway in USAir Deal

By Erik Ipsen International Herald Tribune. LONDON — In a deal that could further increase competition on North Atlantic and American air routes, British Airways said Tuesday it would invest \$750 million in USAir Group to create what the companies billed as the biggest airline alliance in the world...

President Mubarak praised Prime Minister Rabin's freeze on issuing licenses for new housing construction in the occupied lands, but said he and the Arab world "needed much more..."

Mr. Greenspan argued in his testimony that the greatest drag on the recovery was the huge overhang of debt inherited from the excesses of the 1980s, which meant that businesses and individuals had to divert cash from new investment to paying off their debts...

British Airways, one of the world's most profitable carriers, will invest \$750 million in USAir for a 44 percent equity stake and four seats on USAir's 16-person board. Its voting rights will be limited to 21 percent initially...

"I know that he generally supports peace," President Mubarak said. "And I am very pleased with that..."

Klosk

Moldova Backs Peacekeepers

MOSCOW (Reuters) — Moldova and Russia agreed Tuesday to send a joint peacekeeping force to stop fighting in the self-styled Dniester Republic in Moldova and outlined guarantees for the future of the rebel region...

General News

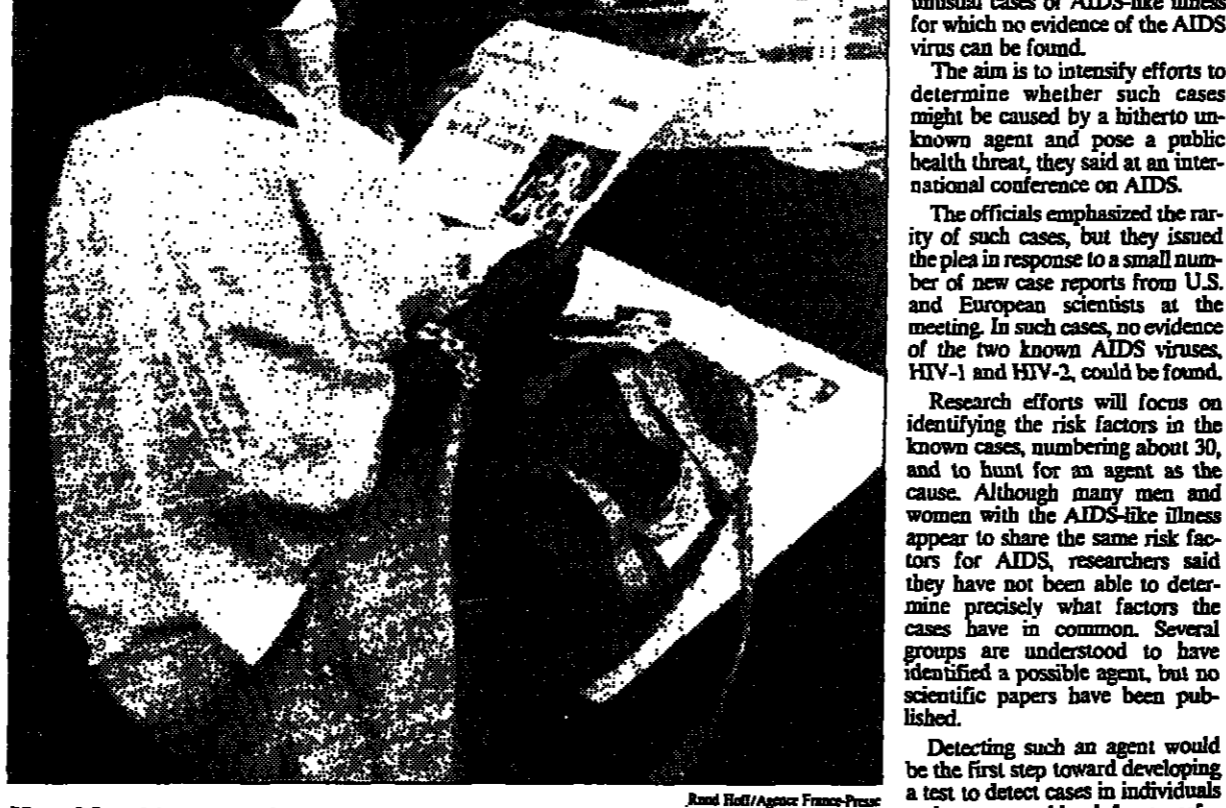
Bush's doctor denied rumors of ill health. Page 3. British negotiator criticized Muslims in Sarajevo. Page 5. Sicilians jeered leaders at Mafia victims' funeral. Page 5. Their leader's death left German Jews divided. Page 5.

Business / Finance

U.S. banks reported improved quarterly earnings. Page 11. In an unusual confrontation, a Japanese newspaper fired its chairman. Page 11.

New Illness Like AIDS Is Targeted

By Lawrence K. Altman New York Times Service. AMSTERDAM — United States health officials issued a plea here Tuesday for doctors to report unusual cases of AIDS-like illness for which no evidence of the AIDS virus can be found...



Hawa Mvumichwo, a traditional healer from Tanzania, scanning literature on Tuesday from one of the several stands at the international conference on AIDS in Amsterdam.

Baker Mideast Tour Has Look of Farewell

By Thomas L. Friedman New York Times Service. DAMASCUS — Secretary of State James A. Baker 3d's Middle East shuttle has turned into the Jim Baker farewell tour...

Sports

The U.S. routed France, 111-71, in an Olympic basketball tneup. Page 19.

Crossword Weather

Page 10. Page 2.

The Dollar in New York

DM 1.4886, Pound 1.9085, Yen 125.10, FF 5.0225

The Growing Cost of Keeping Art

Death and Taxes Squeeze Thurn and Taxis Estate

By Souren Melikian International Herald Tribune. LONDON — One of Europe's oldest aristocratic families, the house of Thurn und Taxis, announced Tuesday that it was putting up for auction some important works of art, including 18th-century German and French silver, jewelry and 50 snuff boxes...

Debate Over Memories: Repressed or Fabricated?

By Daniel Goleman New York Times Service. NEW YORK — Is it Satan or is it Salem? A wave of cases in which men and women suddenly remember traumatic events from their childhood has set off a debate among psychologists who study memory and trauma...

See BAKER, Page 2. See AIDS, Page 2. See MELIKIAN, Page 5.

CAMPAIGN '92 / HONEYMOON IN THE HEARTLAND

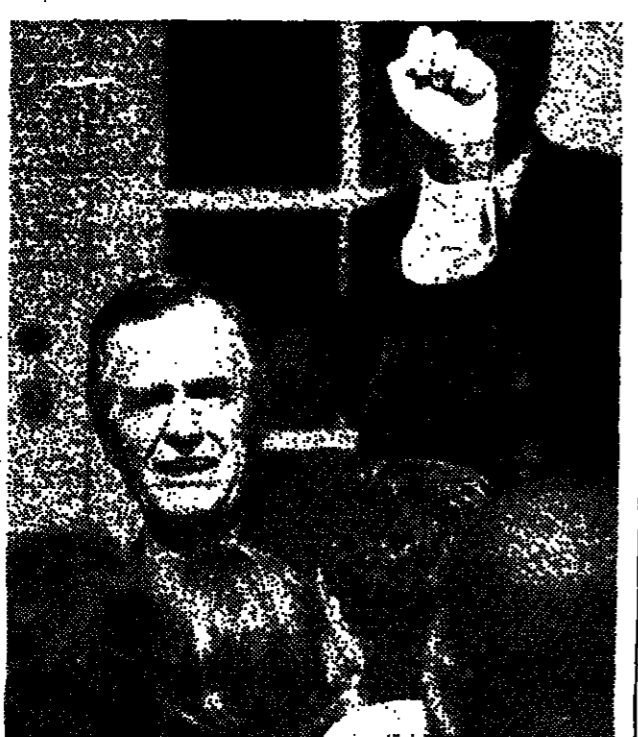
ELECTION NOTES

Cuomo Accepts an Honorary Campaign Role

ALBANY, New York (NYT) — Governor Mario M. Cuomo of New York said he has agreed to serve as honorary chairman of Governor Bill Clinton's campaign in the state and to make speeches and television appearances on his behalf.

Backers of Perot Launch Group for Change

IRVINE, California — California leaders of Ross Perot's aborted presidential bid have launched a new group aimed at uniting disgruntled Perot volunteers across the nation in a coalition to force governmental change.



President George Bush greeting members of the American Legion Boys Nation in the White House Rose Garden.

Big, Enthusiastic Crowds Fuel Optimism on Clinton-Gore Bus

By Edward Walsh Washington Post Service

GENERAL BUTLER STATE PARK, Kentucky — Maybe they should start to worry about overconfidence.

But Mr. Clinton and Mr. Gore, traveling together as an unusual political duo since New York, appear at least initially to have tapped into something deeper — the same strong desire for change in the way business is done in Washington that gave rise to the brief almost-candidacy of Ross Perot.

But Mr. Clinton and Mr. Gore, traveling together as an unusual political duo since New York, appear at least initially to have tapped into something deeper — the same strong desire for change in the way business is done in Washington that gave rise to the brief almost-candidacy of Ross Perot.

round up the crowds that line the roads and come to the events.

The campaign organization, they say, has been "stretched thin" by the demands of this road show, with the entourage's chaotic, late-night hotel arrivals attesting to the strain they are under.

barn serving as the backdrop as the candidates stood on stacked bales of hay taking questions on farm issues while their Secret Service agents stayed off to the sides so that no jarring, dark-suited presence intruded in the pictures of the pastoral scene.

The caravan rolled into Kentucky late Monday and Mr. Clinton and Mr. Gore used a bullhorn to address another large crowd. Mark Gearan, a Dukakis aide in 1988 who is now working for Mr. Gore, said that although Mr. Dukakis' first week after the convention was very good, there "was not this level of excitement and volume."

Physician Denies the Rumors of Bush Illness

By Ann Devroy and David Brown Washington Post Service

WASHINGTON — Acknowledging that he has been hit in recent days with a wave of rumors about President George Bush's health, Dr. Burton Lee, Mr. Bush's physician, has said that the president is in "perfect" health.

Al Gore and the Rebirth Of a Failed Candidate

By Michael Kelly New York Times Service

WILMINGTON, Ohio — Al Gore is a changed man; he says so himself, and it seems to be true.



Bodyguards hustling Bill Clinton away after a protester advanced on him at a Columbus, Ohio, rally.

Away From the Hustings

- A Michigan judge dismissed double murder charges Tuesday against the retired pathologist Jack Kevorkian, who helped four women kill themselves in the past two years by connecting them to variations of his suicide machine.

Low-level aides from various federal agencies called news organizations to seek information.

Jackson, Wyoming, on Friday, where Mr. Bush was vacationing, senior aides were peppered with questions by reporters. They denied that Mr. Bush was ailing.

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Bush Intensifies Attack on Clinton

WASHINGTON — President George Bush has delivered his strongest attack to date on the Democratic presidential candidacy of Bill Clinton, calling the Arkansas governor's economic proposals "smoke and mirrors" and "a big mistake" that will increase the federal deficit.

Tourists take schnaps at Schönbrunn in a dream called Wien

Vienna is a dream destination. And there's a modern convention center that makes meeting managers' dreams come true.

Table with columns for country codes and phone numbers for Sprint Express international calling services.



Battle of Nerves Over Izvestia Reflects an Uncertain Mood

By Celestine Bohlen
MOSCOW — On Friday, the Russian Parliament voted to take over Izvestia, an independent newspaper with 3.8 million readers that once was the key press organ of the Soviet government.

Russians Pursue a Warship Defecting to Ukraine

The renegade ship, whose captain is Sergei Nastenko, a Ukrainian, left its port of Donzavay at 8:40 A.M. on the pretext of training for a parade of vessels for Navy Day on July 26, the news agency said.

Moscow Highway Plot? No, Just a Drunken Barber

MOSCOW — What appeared at first to be an assassination attempt in some to the present trial of the Communist Party has turned out to have been the misadventure of a Russian barber who was driving while drunk.

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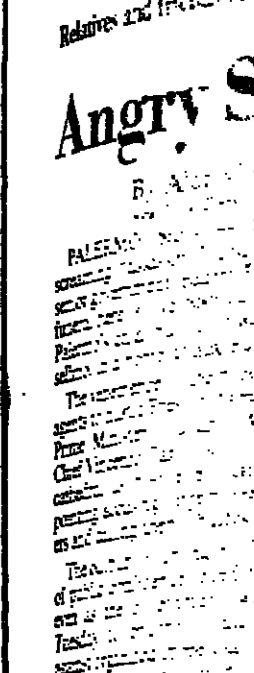
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China Northwest Investment & Business Forum: X'ian, Shaanxi Province, China 14-20 September 1992. Co-sponsored by the United Nations Industrial Development Organization (UNIDO)...

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Angry Sic... Relative and friends...

Muslims In Sarajevo: SARAJEVO (UPI) — Muslims and Serbs are still at odds in Sarajevo...

MEMORY Payel: "The letter..."

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Relatives and friends of a guard killed along with Judge Borsellino escorting the bearse to Palermo Cathedral on Tuesday.

Angry Sicilians Jeer Leaders at Funeral

By Alan Cowell
New York Times Service

PALERMO, Sicily — Furious mourners screaming "assassins" and "resign" mobbed senior government leaders Tuesday at the state funeral here of five bodyguards who died with Palermo's chief public prosecutor, Paolo Borsellino, in a bomb attack Sunday.

The vehemence of the protest forced security agents to huddle President Oscar Luigi Scalfaro, Prime Minister Giuliano Amato and Police Chief Vincenzo Parisi out of Palermo's ancient cathedral as hostile Sicilians mobbed them, pointing accusing fingers, jeering at their leaders and calling them "buffoons."

The outburst illuminated the deepening crisis of public confidence faced by the authorities, even as the government was reported close Tuesday to endorsing harsh new measures against organized crime that recalled the battle against urban terrorism more than a decade ago. The protest, moreover, has spread to the very people the authorities want to support and carry out the new measures.

Both Palermo's mayor, Aldo Rizzi, and a leading investigator, Vittorio Teresi, quit their posts Tuesday. Hundreds of police officers in Rome demonstrated outside government offices to decry what they termed official impotence in the face of the Mafia, whose latest killings — among the most dramatic in its long history — have stunned many Italians.

Television stations briefly suspended programs and all traffic stopped for one minute in Rome to commemorate the dead. Train departures were delayed and 15,000 protesters in Milan marched to the strains of Beethoven's Third Symphony, the "Eroica."

Even traders on Milan's stock exchange, and fashion models in the capital, paused in silence before continuing their business as, across the country, people marked Mr. Borsellino's assassination with 10 minutes of silence.

"Palermo raises her angry and anguished voice asking the state to act with responsibility, unity and resolve, omitting nothing that could serve to protect its servants and citizens," Cardinal Salvatore Pappalardo, archbishop of Palermo, said at the funeral service. "Palermo has the right to ask this. Palermo demands this."

In response to the growing pressure from politicians, the church and ordinary people, government leaders debated anti-crime measures that, according to Italian officials, would enable the police to search homes and entire areas without warrants, strip jailed mobsters of all privileges and consign them to solitary imprisonment.

Mr. Borsellino, 54, was the second top crime-fighter slain by the mob in less than two months. The killing has brought home to Italians the realization that, after years of suspected links between the Mafia and politicians, the bosses of Sicily's crime families seem to feel free of all restraint.

"The relationship between the personal risk and the results of the inquiries has become too imbalanced," said Mr. Teresi as he resigned from Palermo's anti-Mafia investigation unit.

Mr. Borsellino's family has rejected a state funeral for him and postponed his burial while they sought to contact his daughter, Fiammetta, the youngest of three children, who is on vacation in Indonesia and is believed to have been told of her father's assassination only Tuesday.

After the May 23 killing of Judge Giovanni Falcone, Italy's most senior anti-Mafia crusader, Rome issued a decree suspending visiting privileges for 55 senior Mafia clan bosses and, instead, offering incentives and protection to mobsters who turned informers. Under Italian law, the decree must be confirmed by parliament by early August, most political parties say they will support it.

However, some experts argue that there are already sufficient laws in place to combat the mob. "The problem is to apply the existing laws," said a sociologist and author, Pino Arlacchi.

As the authorities seek to piece together the events leading up to the latest assassination, the German police confirmed that Mr. Borsellino had been in Mannheim in early July to interview a Mafia informer held there. The informer was said by investigators to have been giving information on Mafia operations.

A Symbol of Germany's Polarized Jews

Many in Community Resented Galinski's Combative Emphasis on the Past

By Marc Fisher
Washington Post Service

BERLIN — The death of the man who ran Berlin's vestigial Jewish community for its entire 43-year postwar history has left Jews in Germany deeply divided about their future in a country where Jews and Germans alike have long concentrated more on the Holocaust than on the community's future.

Heinz Galinski, a 79-year-old survivor of Auschwitz whose arm was tattooed with the number 104 412, died Sunday night after falling to recover from a heart operation.

As chairman of the Central Council of German Jews, the tax-supported organization that represents the 35,000 Jews who register their residence with the government, Mr. Galinski spoke graphically of Nazi crimes and demanded that younger Germans prove their distance from the Holocaust by showing greater tolerance for foreigners living among them.

But many Jews, particularly among the estimated 15,000 who refuse to register with the government, found his combative style and rejection of non-Orthodox Jews counterproductive.

Richard von Weizsäcker, along with several other officials, are expected to attend Mr. Galinski's funeral Friday.

Mr. Kohl called Mr. Galinski, leader of Berlin Jews since 1949 and of all German Jews since 1988, "an untiring fighter for humanity, justice and understanding." The head of the opposition Social Democratic Party, Björn Engholm, praised Mr. Galinski's "battle against hate" as well as "his battle against the desire to forget."

"I am controversial. I make some people uncomfortable," Mr. Galinski observed a few months ago. "But to be discomfiting is not a negative characteristic."

Mr. Galinski, who cultivated cactus plants as a hobby, said then that Jews in Germany must realize that "a generational change is upon us. Very soon, if not already, a majority of Jews here will be Russians. We are obliged to help these people."

Despite his efforts to win a more open immigration policy from Bonn, the legal status of several thousand Jews from the former Soviet Union who moved to Germany after the fall of the Berlin Wall remains unclear.

Mr. Galinski fought continually with Israeli Jews who could not conceive of a flourishing Jewish community in the country that spawned Nazism.

"I am stuck between a rock and a hard place," he said. "Of course I would like all Jews to go to Israel. But people will come here if we want them to or not."

Mr. Galinski brooked no challenge to his role of the Jewish community, regularly banning opponents from meetings and refusing to acknowledge the existence of Jewish organizations outside his control.

But he could and did make eloquent connections between the Nazi terror and the dangers of today's radical rightist political parties and neo-Nazis.

"We demand education in the schools and we offer ourselves to the schools to come and speak simply about our experiences," Mr. Galinski said recently. "Only then can we change attitudes toward the skinheads and neo-Nazis. We already experienced in this country what happens when people look away. And now again, this antipathy toward foreigners. I appeal to the people not to look away again."

■ **Desecration in Synagogue**

Neo-Nazis delivered two pigs' heads to a synagogue in the East German city of Erfurt wrapped in letters rejoicing over the death of Mr. Galinski, Reuters reported. The letters accompanying the insult — pigs are considered unclean animals by the Jewish faithful — said that all Jews should die, a police spokesman said. Four skinheads left the pigs' heads on Monday night, he said.

Bernhard Vogel, premier of the eastern state of Thuringia, condemned the action as an "appalling and outrageous desecration" of Mr. Galinski's memory.

Mitterrand to Drop Tributes to Pétain

Reuters

PARIS — President François Mitterrand has decided that wreaths no longer will be laid in his name at the tomb of the wartime collaborationist leader, Marshal Philippe Pétain, the French Jewish activist Serge Klarsfeld said Tuesday.

The president was jeered by protesters on July 16 when he came to lay a wreath at a ceremony commemorating the 50th anniversary of a mass round-up of Paris Jews by Vichy France's police.

The annual wreath-laying by a presidential aide at the Pétain tomb, on the Ile d'Yeu in the Bay of Biscay, where he died imprisoned in 1951, has been presented by the authorities as a tribute to Pétain's role as victor of the Battle of Verdun during World War I.

2d Crash Puts New Doubt on Experimental Plane

Washington Post Service

WASHINGTON — The crash of an experimental military aircraft into the Potomac River has cast doubt on the future of the hybrid aircraft, already the source of debate between Congress and the Defense Department.

The crash Monday came as the craft, a V-22 Osprey, was preparing to land at the Marine Corps Base at Quantico, Virginia. All seven persons aboard are believed to have died, although the search for bodies was continuing Tuesday.

The crash involved a prototype of the Osprey, a "tiltrotor" aircraft that takes off and lands vertically like a helicopter but flies straight ahead like an airplane.

After takeoff, the engines tilt so that their thrust is directed to the rear instead of down. The craft is intended to carry troops from ship to shore.

The crash occurred while the Osprey was on its final approach. The aircraft was flying forward, then slowed to tilt its engines for landing. The cause of the crash is being investigated.

The crash involved the fourth of five prototype Ospreys built by the military since 1989. Another prototype crashed last summer in Delaware, but no one was hurt.

Monday's crash could have an impact on congressional debate over the future of the V-22. Defense Secretary Dick Cheney, who earlier had sought to kill the Osprey because he said it was too expensive, recently proposed a compromise to keep the program alive. The proposal was to be considered this week by the House and Senate armed services committees.

Muslims Criticized In Sarajevo Firing

The Associated Press

SARAJEVO — An airift of food and medicine to Sarajevo was restarted, stopped and then started again on Tuesday as mortar shells fell on the airport of the capital of Bosnia-Herzegovina.

Lord Carrington, the chief negotiator in the Balkan civil war for the European Community, said all sides were at fault for breaking a truce that came into effect only Sunday.

But he particularly criticized the Muslims, who have allied themselves with ethnic Croats in fighting the Serbs. "The Muslims are breaking the cease-fire as much if not more than anyone else," he said in Belgrade, capital of Serbia and of what remains of federal Yugoslavia.

In Sarajevo, the airift was suspended at 11 A.M. after a mortar round landed about 6 meters (20 feet) from an airport control post manned by UN soldiers, said Ron Redmond, representing the UN High Commissioner for Refugees. No one was hurt.

The commander of the UN forces, Major General Lewis Mackenzie of Canada, decided to reopen the airport at 1:10 P.M. after the shelling and machine-gun fire subsided, Mr. Redmond said.

The United Nations had stopped the flights all day on Monday because of renewed fighting.

Lord Carrington said he had warned the Bosnian government to ensure that its forces honored the truce. The negotiator said he had also asked Slobodan Milosevic, the Serbian leader, to instruct Radovan Karadzic, head of Bosnia's ethnic Serbs "how vital it was that this cease-fire should work."

Central Sarajevo was relatively quiet by early evening. But local officials said a battle was raging for the Dobrinja suburb, near the airport, with Serbian gunners outside the southwestern suburb targeting positions of its mostly Muslim defenders.

At one point, it was being hit by about 20 mortar shells a minute. The officials said two people had been killed in Sarajevo in the last 24 hours. By contrast, 21 people were killed in one day by Serbian artillery, from Sunday to Monday.

Fighting also continued to devastate Gorazde, where tens of thousands of refugees from Serbs were sheltered with about 30,000 inhabitants of the mixed town.

Phone lines to Gorazde have been cut for two months by Serbs and information from there is scanty. But Bosnian defense officials said that 70 civilians had been killed over the last 24 hours. Bosnia's BH press agency said the streets were "covered with blood."

Bonn Takes 5,000 More Refugees

Compiled by Our Staff From Dispatches

BONN — In what it called a "one-time humanitarian" gesture, Germany said Tuesday it would accept an additional 5,000 refugees from Bosnia-Herzegovina but could not continue to carry the load for the rest of Europe.

Interior Minister Rudolf Seiters said the federal government would split housing costs with German states, which had agreed to accept Bosnian refugees halted at various border points if Bonn came forward with more money.

Commenting on the refugees caught in filthy trains at the border between Croatia and Slovenia, Herbert Schmoor, the interior minister of North Rhine-Westphalia state, said:

"This reminds me of reports about Jews who wanted to leave the Third Reich for Switzerland or Palestine or other countries and were blocked at the borders."

Bonn's decision to let 5,000 refugees in would probably attract more, he said, but then he added, "If there are more trains, then we'll take in more people."

Mr. Seiters said he expected Italy and Austria would also take up to 5,000 refugees each, mostly women and children. He could not say how many refugees were waiting at the borders.

The minister estimated that the latest influx would cost Germany several million marks, but he could not be more specific.

German officials said they were disappointed by the European Community's failure to act more decisively on the refugee crisis, the largest since World War II.

Foreign Minister Klaus Kinkel, at an EC meeting in Brussels on Monday, had urged his colleagues to increase their share of refugees, but came away with no promises.

Mr. Seiters renewed Germany's plea to all EC countries to accept more refugees as part of "an international burden-sharing action."

While German officials have refused publicly to point fingers, government sources said that Britain and Spain were most opposed to taking a quota of refugees.

German newspapers on Tuesday put the blame with France and Britain.

Residents of Bosnia-Herzegovina require visas for Germany. Mr. Seiters said the requirement would not be lifted, but that Germany was granting emergency visas for up to 5,000 refugees.

When asked whether the government's reference to its actions as "one-time" meant no more Yugoslav refugees would be admitted to Germany, Mr. Seiters declined to answer.

He said any comment could be a "false signal" to EC nations and the splintered Yugoslav states.

Up to 150,000 residents of the former Yugoslav federation have come to Germany this year, Mr. Seiters said, adding that Germany had already spent 150 million Deutsche marks (\$100 million) since the start of fighting in Bosnia-Herzegovina. (AP, Reuters)

MEMORY Psychologists Debate

(Continued from page 1)

belief. "The terrible thing is that it's a situation where, finally, you just don't know what the truth is about something that may have happened decades ago," said Dr. John Kihlstrom, a psychologist at the University of Arizona and a leader in research on memory.

Dr. Kihlstrom and other researchers are part of a scientific debate over whether the methods sometimes used by therapists to retrieve memories of sexual abuse can lead to fabricated memories. The debate has implications beyond the therapy session, as a mounting number of adults who remember sexual abuse in childhood are being urged to sever all ties with their families, and even sue their parents for damages.

And now some parents, saying they have been falsely accused, are suing the therapists involved for malpractice.

"It incest is the worst crime, just imagine the devastating impact on parents who are falsely accused," said Dr. Pam Freyd, a psychologist and executive director of the False Memory Syndrome Foundation in Philadelphia.

Founded in March, the foundation has since been contacted by more than 650 parents who say that a grown child, usually a daughter, has falsely accused them of having sexually abused her as a child.

Both sides in the debate agree that the effects of sexual abuse are terrible, that most cases go un-

detected at the time and that the trauma of such abuse can lead people to repress their memories of what happened.

Some therapists say that even if a memory of childhood abuse is only symbolically true, it should be taken seriously in therapy, even if it is not objectively true. Others fear that the debate over the credibility of some memories of childhood abuse will be used to discredit people who are in the difficult position of making legitimate assertions that long-past abuses took place.

The debate focuses on the methods some therapists use to help people retrieve repressed memories, particularly hypnosis and "narcosis," in which the sedative amobarbital sodium is used to induce a trance-like state.

Critics object to the ease with which such methods can be skewed by influence from the therapist.

Dr. Richard Ofshe, a sociologist at the University of California at Berkeley, says: "The therapist starts out by presupposing a search for repressed sexual abuse, and, since patients want to please therapists, that interest reinforces anything the client comes up with in that direction. Then the therapist gets the patient to actively imagine an image of abuse, saying, 'Try to picture this happening to you,' and encourages the patient to elaborate on that fantasy. Then the patient becomes convinced that it was not merely imagination, but a repressed memory of abuse."

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Middle East Movement

In a fallow political season for the Bush administration, unexpected support beckons from the Holy Land. Secretary of State James Baker is back on the Middle East shuttle trying to restart the stalled Arab-Israeli peace talks. Prime Minister Yitzhak Rabin went to Cairo on Tuesday for the first such meeting in six years with President Hosni Mubarak. All this underscores a promising shift in Israeli diplomacy, from the blame game to let's make a deal.

Good Anti-Deficit Ideas

Among the things Ross Perot left behind last week appears to have been a pretty good plan to balance the budget. A major theme of his ephemeral candidacy was that the major-party candidates were ignoring the budget deficit and he would not. He was right about that. The question is whether, for all the Mr. Bigwrench talk, he will now embrace the worthy program he caused to be drawn up, candidate or not — or will he walk away from it, too?

Gradually in Mexico

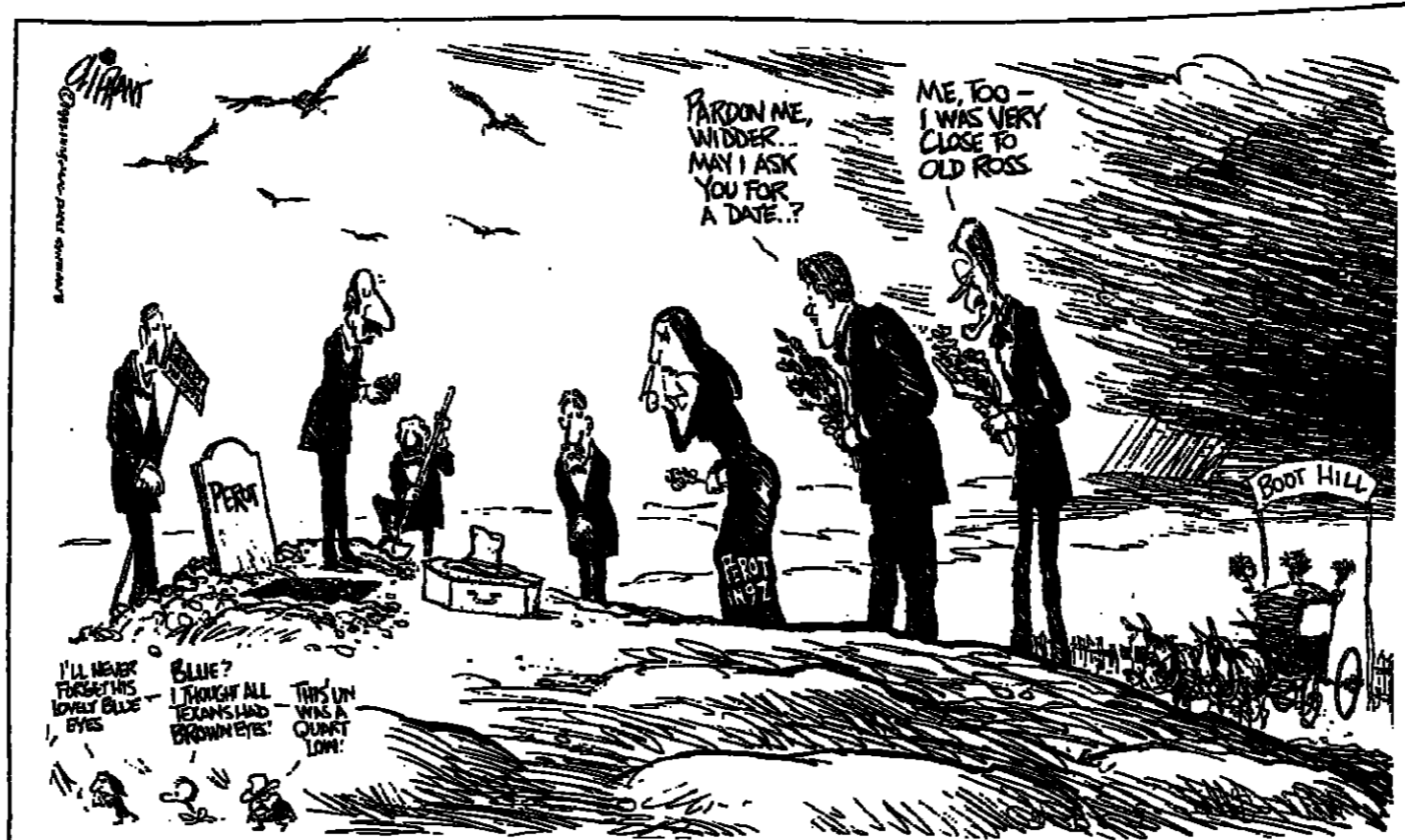
Until very recently, all Mexican elections conformed to a predictable pattern. The government always declared that its candidate had scored a resounding victory; opposition parties always protested that they had been victimized by outright fraud. That pattern put Mexico out of step with the rest of the Western Hemisphere, where honest, democratic elections have increasingly become the rule. Credit is now due to President Carlos Salinas de Gortari, himself the beneficiary of a tainted election four years ago, for rewriting the old, rigged rules.

Other Comment

A Solution for the Spratlys?

Oil and geography are an explosive mix. In a region distinguished by a mini arms race that is happening just when the rest of the world has begun to disarm, it is not prudent to allow the Spratly Islands issue to simmer without evolving a mechanism for international resolution of the dispute.

Association of Southeast Asian Nations have, over the last few years, embarked on large weapons acquisitions to modernize their fighting capabilities. Philippine Foreign Secretary Raul Manglapus indicated his intention to take the opportunity offered by this week's ASEAN ministerial meeting in Manila to test the idea of organizing an international conference on the Spratlys. There is much to gain and little to lose. We hope the proposal takes off soon before this part of the world becomes embroiled in a cycle of mounting hostility and a frantic arms race.



There May Be Time to Save Yeltsin's Presidency

By Hobart Rowen

NEW YORK — Boris Yeltsin, according to U.S. Ambassador Robert Strauss, will do whatever he has to do to survive as president of Russia. If that means he must fire his deputy prime minister, Yegor Gaidar, his point man for economic reform, he will not hesitate, the U.S. envoy predicts.

International Monetary Fund — a \$1 billion down payment on a \$24 billion loan in exchange for Moscow's pledges of austerity — "is going to be terribly difficult for them to conform to," Mr. Strauss said. "I don't know how they will get from here to there."

the problem. There is considerable frustration on all sides. For example, the effort, led by the president of the New York Federal Reserve Bank, Gerald Corrigan, to create a simple banking system from scratch has bumped into incredible difficulties.

Velvet Czech-Slovak Divorce Has Its Rough Side

By Mark Kramer

PRAGUE — Regardless of when the new Czech and Slovak states emerge, there is little doubt that the demise of the federation will have far-reaching effects on European security, both positive and negative.

restiveness among the 600,000 ethnic Hungarians in Slovakia, who have long harbored grievances against the Slovaks. Vladimir Meciar, who had long threatened to seek independence for Slovakia, has tried to defer an outright split until the end of 1993, so that Slovakia could continue receiving nearly \$300 million worth of subsidies next year from the caretaker federal government.

dictated that they seek at first to maintain a common military establishment with the Czech republic. But the Czech government, which will inherit the best military units and bases from the old federal state, has said that it has no intention of committing Czech troops to the defense of an independent Slovakia.

Don't Blame Proliferation on Pakistan

By Ali Sarwar Naqvi

WASHINGTON — The failure of U.S. nuclear nonproliferation goals in the case of Pakistan is not a result of the Bush administration's leniency toward Pakistan, as Senator John Glenn has suggested in comment on this page (June 26). Rather, it reflects administration and congressional disregard of the nuclear programs of India — and of Israel and South Africa.

India by the Bush administration in the fall of 1990. At the same time, the chairman of the Pakistan Senate was sent to Washington to explain Pakistan's intention to freeze its nuclear program until a nuclear proliferation regime was established in the region. It was also explained that further action by Pakistan would necessarily depend upon parallel action by India.

A Patriot Who Sought Reforms

By Bao Pu

KEARNY, New Jersey — Bao Tong, my father, was put on trial Tuesday in Beijing and, after nearly three years of detention, sentenced to an additional seven years in prison. The case has attracted considerable international attention because my father was the top aide to the ousted Communist Party chairman, Zhao Ziyang, who sympathized with the students in Tiananmen Square. His trial may have implications both for Mr. Zhao and for the fate of economic and social reform.

As Mr. Zhao's chief of staff, Bao Tong was deputy director of the State Commission for Economic Reform from 1980 to 1987. This commission developed policies that successfully dissolved thousands of communes, which had stifled the productivity of some 800 million farmers for more than three decades.

Recession Brings a Loss To Gloomy Air Lingus

LONDON — Air Lingus, the Irish airline, is expected to report a loss for the first time since its inception in 1982. The airline's operating loss for the first six months of 1992 is expected to be around \$10 million, according to industry analysts.

Reuters Takes And Manages

LONDON — Reuters, the international news agency, is expected to report a profit for the first time since 1987. The agency's operating profit for the first six months of 1992 is expected to be around \$10 million, according to industry analysts.

COMPANY RESU

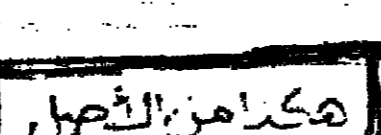
Table listing company results for various firms, including names like ANAK, BHP, and others, with columns for revenue, profit, and other financial metrics.

NYSE

Table listing stock market data for the NYSE, including various stock symbols and their corresponding prices and changes.

Advertisements for Frosty, Reuters Takes And Manages, COMPANY RESU, and NYSE.

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TRADE & INVESTMENT THE TWIN ENGINES OF GROWTH

Foreign Investment / Chile's Neighbors Catching Up

New Era of Openness to Foreign Capital

After the nationalizations of the 1970s and the turbulent, debt-ridden 1980s, the 1990s have heralded a new era in the way South America looks at foreign capital.

Potential investors used to tell Fernan Ibarra, executive secretary of Chile's Foreign Investment Committee, that his country was a nice house in a bad neighborhood. "Now they tell me we're the best-run store in an affluent neighborhood," he says.

In just a few short years,

cause of Decision 24, which called for restrictive measures for foreign investors. Then Chile went the other way and established an investment mechanism that was very liberal for its time and remains the most stable.

But its neighbors on the continent are catching up. In 1990, the member countries of the Andean Pact — Bolivia, Colombia, Ecuador, Peru and Venezuela — once so defensive toward foreigners, agreed to liberalize their investment regimes so there is no discrimination between foreign and national investors.

"In South America we've realized that we need foreign investment," says Venezuela's superintendent of foreign investments, Anselmo Chuecos. "People have come to realize that investment is good for the country."

Such is the drive to attract foreign capital that Venezuela's petroleum sector, long off limits to private capital of any kind, is opening up. At the end of June, five drilling companies — including Benton Oil and Gas Company of California, Royal Dutch/Shell and the Telkoku Oil

Company of Japan — were awarded contracts to revive the country's inactive oil wells.

Touted as having the continent's most liberal investment laws, Peru went beyond the Andean Pact's decision to welcome foreign capital. Peru opened all of the country's economic sectors to foreign investors and eliminated all bans on remittances. In a climate as turbulent as Peru's, the government knew it had to offer some assurances like judicial and tax stability for investments of more than \$2 million.

Rivalling Peru's openness are Argentina's investment reforms. President Carlos Menem's government established a free-in free-out system of investment, in which foreigners need not register their investments, not even for statistical purposes. But this kind of total liquidity attracts speculative capital, as can be seen by the booms on Peru's and Argentina's stock markets in the past year.

Despite a 22 percent drop in the market index in June, Argentina is still enjoying last year's boom, when it had the best performance of all the world's

stock markets, according to the International Finance Corporation. Although exact figures are not available, the presence of foreign capital is about 7.5 percent, mostly from Spanish and U.S. investors.

In Peru, the wave of foreign investment in the Lima bourse began in September of last year, just after the new investment laws were passed, mostly from regional investment funds listed in Europe and the United States. Of the \$3 million being traded on the Lima stock exchange before Alberto Fujimori's April 5 "self-coup," an estimated two-thirds came from foreign capital. But in a nervous moment, much of the foreign money was pulled out, and the value of transactions dropped 30 percent in one month. Something similar happened in Venezuela after the coup attempt against Carlos Andrés Pérez's government.

Given the fickle nature of portfolio investments, South America's governments are trying to attract foreign capital for long-term commitments. One mechanism used widely is debt-for-equity swap schemes which, says Chile's Mr. Ibarra, are basically fire sales at rock-bottom prices. "It's like buying a suit. You think 'I don't need it,' but it's so cheap you buy it anyway."

Chile used this method to



Up for sale in Caracas: the water system, 12 hotels and the racetrack.

attract foreign capital. "Many investors tested the waters with Chapter 19 [debt-swap schemes], and then they kept bringing capital through direct investment," says Mr. Ibarra. The figures prove it. After four years during which debt-for-equity investments surpassed direct inflows of foreign capital, in 1990, direct investment overtook Chapter 19 investment. Today, there are few debt-swap investments.

Debt-swap programs have also been successful in Brazil and Argentina and, to a lesser degree, in Venezuela and Colombia.

The main investor in South America is still the United States, although European and Japanese investors are increasingly interested. Japanese investors, by far the most cautious in a historically unpredictable environment like South America's, are looking once again at Brazil

after a decade of poor relations. The appetites of large U.S. and European firms have also been whetted by the elimination of restrictions in Brazil's personal computing industry.

But all the investment attraction schemes and the reduction of restrictions to a minimum mean little if they are not accompanied by economic and political stability. Venezuela is well aware of this. While investment is up this year com-

pared with the first half of 1991, Mr. Chuecos recognizes that investors are waiting to see what happens on the sociopolitical front before taking any major steps. "Investors are willing to come, as long as there is stability," he says. "We have to regain the investors' confidence."

As Chile's Mr. Ibarra says: "You can't invent a track record overnight." Silylla Brodzinsky

Privatization / Encouraging Competition

State-Owned Enterprises Fall Under Auction Hammer

The silence of Latin America's "quiet revolution" of growing political and economic freedoms is being shattered by the continuous pounding of the auctioneer's hammer as one state-owned company after another goes on the block.

So contagious has privatization fever become in many Latin American countries that the issue is not one of whether to sell off state-owned companies, but rather when, how and at what price.

This move to privatize has gone hand in hand with the turn toward democracy by former dictatorships in countries from Central America to Brazil and Argentina, where democracy has led to accountability and close scrutiny of public enterprises.

Last year, privatizations in Latin America raised more capital than those in the former East Germany and the rest of Eastern Europe combined. This in turn contributed to economic growth rates in the region averaging 3 percent, as for the first time in over a decade the flow of capital to the region was greater than the flow of debt payments out.

"This is a reflection of how inviting the rest of the world sees investment in these countries," says Vivek Talavakar, a senior economist with the World Bank's private-sector affiliate, the International Finance Corporation. "It is very important that investors are bringing in new technology, which, in the long term, will lead to greater efficiency in the region." The privatization cam-

cient enterprises and hefty government payrolls.

Privatization is viewed by some in Latin America as a "multipurpose silver bullet." It saves money on subsidies and losses, making money on each sale, which can then be used to help ease the foreign debt burden. It also brings support and investment from abroad because of the



commitment shown to free-market policies.

In truth, despite the similarities, privatizations are taking place in each case for different reasons and under greatly varying circumstances.

In Mexico, for instance, which is already nearing the end of a privatization program selling off almost 200 companies — from Mexicana and Aeroméxico airlines to sugar mills, mines and hotels — the government has decided against foreign majority ownership in areas where multinationals would be most interested. These include a string of banks and the highly profitable Teléfonos de México.

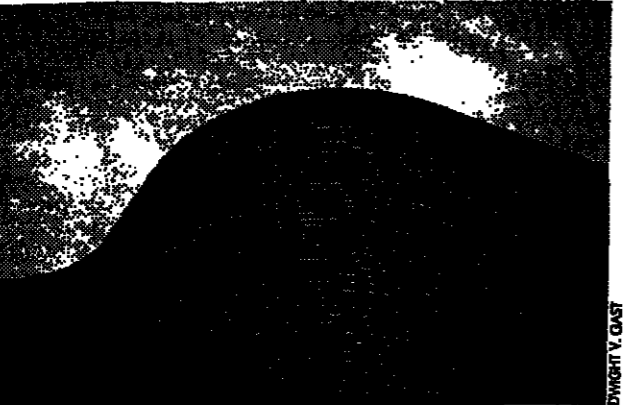
Meanwhile, in Chile, Venezuela, Argentina and Colombia, several key purchases of state-owned enterprises have been

Argentina's privatization program is perhaps the most ambitious. Plans have been made to sell nearly all state companies by 1993, raising at least \$6 billion. Argentina learned a hard lesson early on in its privatization program with the chaotic sale of its national airline and telephone network in 1990 at knock-down prices. Although the sales raised more than \$2 billion for the national treasury and erased more than \$7 billion in foreign debt, the result for the companies sold is reported to have been high prices, poor service and arrogant staff.

But with one in five Argentinians employed in state-owned enterprises, President Carlos Menem is determined to cut the public sector payroll by one-third, shedding 200,000 jobs.

The privatization process has not always gone smoothly, however. In Brazil, for instance, workers cosseted by state-owned company management have demonstrated violently to protest the sale of the country's giant steelmaker, Usinas Siderurgicas de Minas. Still, the sale went ahead last October, raising \$1.7 billion. The Brazilian government has pledged to continue with its privatization program. But it was again stalled earlier this year by protests against the sale of the government-owned jet engine maintenance company, Celma.

Privatization is not without its critics, either. Some argue that while privatization provides high profits for new owners and substantial nest eggs for state



paid for by the sale of state-owned enterprises is explained by some economists as part of the ideological battle of the century. "People now think competition is more important than state ownership to make sure companies improve the quality and price of what they supply," comments Domingo Cavallo, Argentina's economics minister, whose country is still saddled with heavy debt from Peronist policies of widespread state control.

Others argue that the drive to sell off state enterprises is driven more by pragmatism than ideology and the need to cut heavy business losses in ineff-

made by foreign companies. Two out of three Colombian banks up for sale, for example, have been sold to Venezuelan bidders.

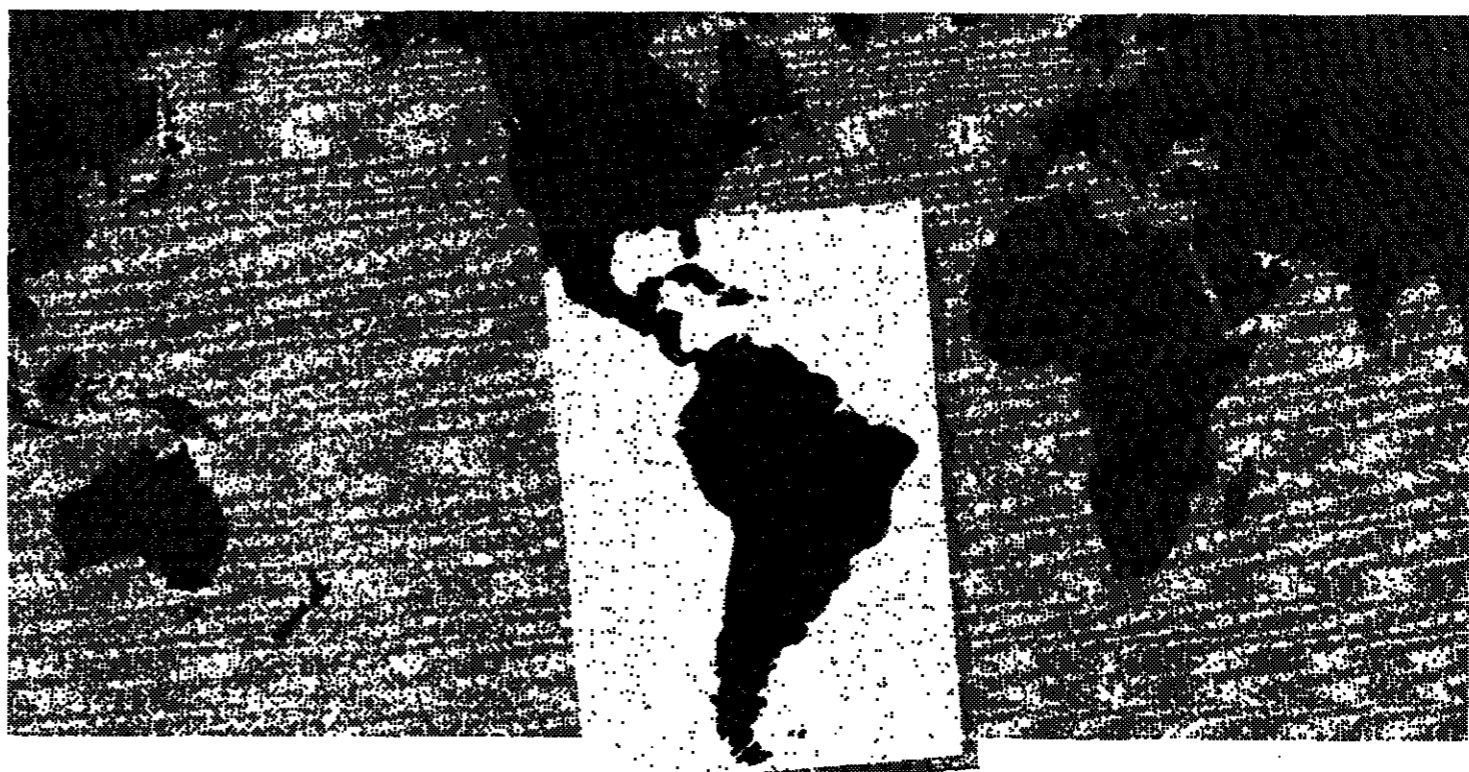
Venezuela's airline VIASA has been sold to a group of investors headed by the Spanish airline Iberia. The country's telephone company CANTV was sold to a group headed by AT&T, Spain's Telefonica, GTE and local investors for \$1.9 billion. The Venezuelan government is now considering the sale of the Caracas Water System, a power-generating plant, 12 hotels and the Caracas racetrack.

coffers, the benefits are short-term and one-off. Customers in many cases have still to see the benefits.

Recently privatized telephone companies illustrate some of the problems. Despite the highly profitable sale of Teléfonos de México, for example, phones in the capital still frequently cut out during rainstorms, and some stay dead for weeks. According to one report, pay phones at Mexico City's airport had, on occasion, offered the caller a clear line to control tower conversations with a Delta Air Lines pilot.

Christine Toomey

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The Illegitimate Son of Inspector Clouseau

LONDON THEATER

By Alan Cowell
New York Times Service

VICE — In the foothills of Provence, smoke curls through nocturnal pines. A van packed with high explosives begins a terminal roll over a cliff. There are kiddies, cables, lights, cameras, teabombs and real urns of tea and coffee. Obviously, a film crew is at work.

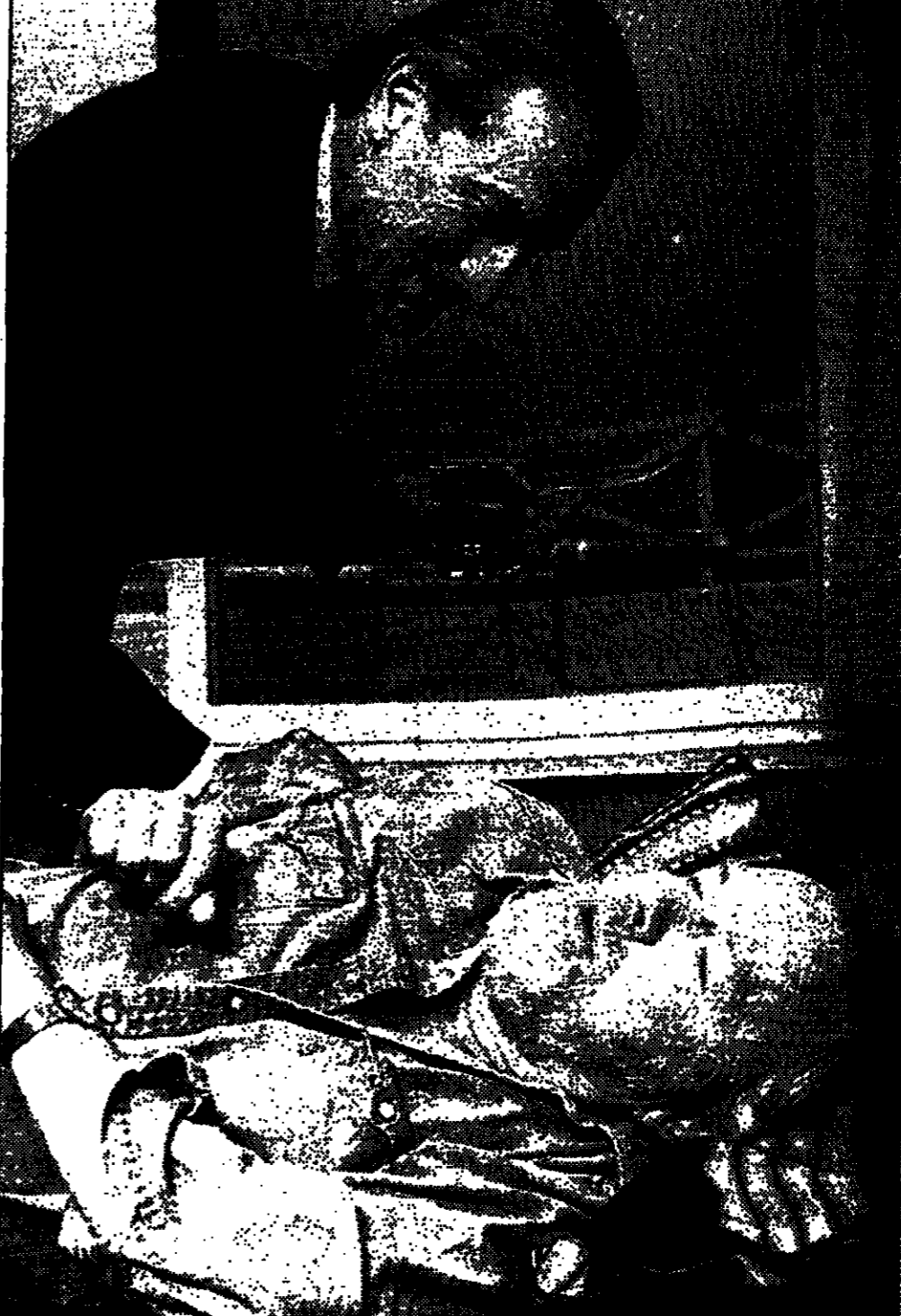
boss. Benigni plays both. Counting all receipts right down to the proceeds from every small movie house in Italy, the film, said the actor, has earned something like \$33 million — a record for an Italian movie.



Robert Benigni during filming of "Son of Pink Panther."

glamour of a Marcello Mastroianni but simply because he is funny.

four women." Pause. Punctured: "And I never repeated this in my life." Laughter.



Gerald Harper, standing, and William Grant in "Murder by Misadventure."

Exorcism and Murder

By Sheridan Morley
International Herald Tribune

LONDON — Certain plays are better taught than produced, and Solomon Anski's 1914 Yiddish classic "The Dybbuk" is one of them.

Katie Mitchell's new production for the RSC in the Barbican Pit certainly goes the scholastic route.

But no such irrelevant allusions are allowed to invade the Mitchell production.

In her desperate desire to offer us a documentary of village life in Ukraine circa 1914, doubtless authentic to the last patch of mud on the Pit floor, Mitchell is intent on having us understand that this is not just another Gothic shocker about a teenage bride with a devil inside her.

Clearly a social order is being overturned here, families and estates and fortunes are at stake, but the trouble is that none of the players, not Joanne Pearce as the bride nor Susan Engel as the mother-figure, nor even Shrapnel himself manage to arouse any real interest in their characters as anything other than workfare figures in some museum of Ukrainian folklore.

Solomon Anski was not essentially a dramatist, he

Rupert Murdoch, the Hollywood Mogul

By Bernard Weinraub
New York Times Service

LOS ANGELES — Rupert Murdoch slouches on the sofa of his surprisingly spare office at the Fox Studios near Century City, saying with a faint smile that his voyage into the movie business still leaves him just a bit uneasy.

departure of Diller, who wants to establish or buy his own network, led Murdoch to take over direct control of Fox Inc. and to plunge into the movie and, especially, the television business.

and a resident of Los Angeles for more than a year. He and his wife, Anna, a novelist, have four children. The move to Los Angeles, largely the result of his purchase in 1985 of 20th Century Fox, has proved exhilarating for Murdoch.

news on the Fox network, that is consuming much of Murdoch's attention.

Murdoch rejects criticism of the Fox network's so-called "reality" shows — re-enactments of real-life events — which have been assailed as exploitative.

Edgar Allan Poe's Winding Path to Dortmund

By James Helme Sutcliffe

DORTMUND, Germany — Despite a year and a half of mishaps, a harrowing honest production of Dominik Argento's "The Voyage of Edgar Allan Poe" finally made it to the stage of the Dortmund Opera, and received a rousing reception with 21 curtain calls.

Composed for the U.S. Bicentennial, "The Voyage of Edgar Allan Poe" was hailed at that time by American critics.

But only just! Originally planned for March 1991, it was delayed by illness, the departures of singers and finally by labor problems.

unhappy life to prove that the poet used the death of his loved ones as inspiration, something that not even the defense — Poe's fictional detective Dupin — can counter.

His shattering musical climax of "Voyage of Edgar Allan Poe" was listened to in awe

and omitted its crucial trial scene, turning it into a colorfully incoherent revue.

That imbalance has been redressed in Dortmund, on the final day of the 1991-92 season, with a gripping production, directed down to the last tortured detail by the Austrian Heinz Lukas-Kindermann and conducted with instinctive flair by its introspective style by the gifted young Frenchman Laurent Wagner.

Most of the applause went to the superb American tenor Julius Best who, looking exactly like Poe, went from strength to strength in the title role, ably "tormented" by Ulrich Studer in the nasty role of Griswold.

The excellent Michael McCall sang the Richmond Doctor, the last person to see Poe alive. Melanie Kreuter was enchanting as Poe's sweet-voiced child bride, Virginia, whose early death almost drove the poet to suicide.

"The Voyage of Edgar Allan Poe" re-enters the Dortmund repertoire Oct. 29 in conjunction with an exhibition on Argento's operatic work in the presence of the composer, who will celebrate his 65th birthday two days earlier.

James Helme Sutcliffe is a Berlin-based critic and musician.

Advertisement for international restaurants including POLO I, THOUMBELUX, LE WESTERN, CHEZ FRED, DA MEO PATACCA, YUGARAJ, LA PETITE CHAISE, KERVANSARAY.

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NASDAQ

Tuesday's Prices
NASDAQ prices as of 4 p.m. New York time. The list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	Div	Yld	PE	High	Low	Close
IBM	4.00	5.8	15.5	110.00	108.00	109.00
MSFT	0.00	0.0	18.0	55.00	53.00	54.00
ORCL	0.00	0.0	12.0	45.00	43.00	44.00
INTL	0.00	0.0	10.0	35.00	33.00	34.00
QCOM	0.00	0.0	15.0	40.00	38.00	39.00
TXN	0.00	0.0	12.0	30.00	28.00	29.00
ADSK	0.00	0.0	10.0	25.00	23.00	24.00
CDIO	0.00	0.0	12.0	20.00	18.00	19.00
GLW	0.00	0.0	10.0	15.00	13.00	14.00
HPQ	0.00	0.0	12.0	10.00	9.00	9.50

Symbol	Div	Yld	PE	High	Low	Close
AMZN	0.00	0.0	15.0	15.00	14.00	14.50
GOOG	0.00	0.0	12.0	10.00	9.00	9.50
MSFT	0.00	0.0	18.0	55.00	53.00	54.00
ORCL	0.00	0.0	12.0	45.00	43.00	44.00
INTL	0.00	0.0	10.0	35.00	33.00	34.00
QCOM	0.00	0.0	15.0	40.00	38.00	39.00
TXN	0.00	0.0	12.0	30.00	28.00	29.00
ADSK	0.00	0.0	10.0	25.00	23.00	24.00
CDIO	0.00	0.0	12.0	20.00	18.00	19.00
GLW	0.00	0.0	10.0	15.00	13.00	14.00
HPQ	0.00	0.0	12.0	10.00	9.00	9.50

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NYSE

Today's Closing
Tables include the nationwide pricing up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

SYMBOL	PRICE	CHG.
AAC	36 3/4	+ 1/2
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By Eamon Randolph

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NYSE Today's Closing
Tables include the nationwide pricing up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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AMEX

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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ASEAN Renews Free-Trade Goal As Protectionists Keep Up Pressure

By Michael Richardson, International Herald Tribune. MANILA — Southeast Asian nations on Tuesday affirmed their commitment to form a free-trade area next year, but analysts said pressure for special treatment from some industries threatens to weaken the program. The Philippines and Thailand, the two countries where protectionist pressure appears strongest, gave high-level assurances of adherence to the free-trade accord at a meeting here of foreign ministers of the Association of South East Asian Nations. The trade accord was reached at an ASEAN summit in Singapore in January. But analysts said the key text would come in October, when lists of "temporary exemptions" for products that would be adversely hit by the accord's proposed cuts in tariffs are released by ASEAN economic ministers. Indonesia and Malaysia also are expected to seek some exemptions for their industries. "A regional wrestling match is already under way over exclusions and special cases," said Eric Stone, deputy editor of Asian Business magazine. The ASEAN Free Trade Area, he added, "will cost some companies money and it is fast becoming a political hot potato in some countries." ASEAN leaders agreed at the Singapore summit to gradually reduce

'A regional wrestling match is already under way over exclusions and special cases.'

Eric Stone of Asian Business magazine.

efficient and attractive to foreign investment. ASEAN comprises Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei and has a population of about 330 million. The Thai government — appointed to restore calm and organize elections after violent conflict in May between a military-dominated regime and pro-democracy demonstrators — is committed to the free-trade program. But there is concern among officials and businessmen in other ASEAN countries that the new

OECD Finds National Australian Differences Agrees to Buy BNZ

Compiled by Our Staff From Dispatches. WELLINGTON — National Australian Bank said Tuesday it had agreed to acquire Bank of New Zealand for 1.48 billion New Zealand dollars (\$810 million). The New Zealand government, which owns 58.23 percent of the bank, said it would sell the bank to the National Australian Bank for about twice the book value of the bank, and by any standards that is a good price. Finance Minister Ruth Richardson told Parliament. The offer also was backed by the bank's other major owner, Capital Markets Ltd., a subsidiary of merchant bank Fay Richwhite, which holds 26.81 percent. The balance of the shares are held by the public. National Australian Bank said it was offering 80 New Zealand cents for each share of BNZ common stock and 95 cents for each convertible preference share. BNZ shares traded 3 cents on Tuesday, to 76, and analysts said the offer represented a good price. "Rumors for the last year that NAB wanted to buy BNZ have been reflected in BNZ's share price," said Paul Rusten, an analyst with Barclays de Zoete Wedd in Auckland. "The share price has been well supported in the last few days. It is basically as high as it's likely to go." Fay Richwhite shares added 6

cents, to 72 cents. In Sydney, National Australian closed at 7.84 Australian dollars (\$5.83), up 4 cents.

Bank of New Zealand ran into problems during the late 1980s because of the worldwide stock market crash and its exposure to Equiticorp, a merchant bank that went into liquidation with heavy debts.

The government in late 1990 helped bail the bank out by guaranteeing its underperforming loans of 2.8 billion New Zealand dollars in Adroit, a separate entity owned 81 percent by the government and 19 percent by Capital Markets.

Mrs. Richardson said Adroit would be "unwound in a way that ensures that the government gets back its initial investment of 420 million dollars together with a return of 15 percent per annum."

National Australian Bank has been a buyer of savings banks in recent years, buying Clydesdale Bank PLC, Northern Bank Ltd. and National Irish Bank in 1987, and paying 2 billion Australian dollars for Yorkshire Bank PLC in 1990.

The bank, with assets of 95.2 billion Australian dollars, posted an operating profit of 405.6 million in the six months ended March 31. BNZ, with assets of 19.8 billion New Zealand dollars, had a net profit of 171.1 million New Zealand dollars in the year ended March 31. (AFP, AFX, Bloomberg)

Weak Profit Outlook Pushes Honda Shares to 16-Year Low

AFP-Excel News. TOKYO — Expectations of lower earnings pushed Honda Motor Co.'s stock price to a 16-year low on Tuesday, continuing a seven-week rout that has cost the stock more than a quarter of its value. Honda's shares fell 20 yen (16.1 cents), to 1,110 yen. That is down 27.5 percent from a June 1 peak of 1,530, and the lowest level since mid-1976. "It was over-valued vis-à-vis its competitors until three months ago," said Steven Usher, auto analyst with Kleinwort Benson Securities, "and a sharp decline was expected." Although analysts said the worst of the slide is probably over, no one is expecting a quick rebound. In early 1992, Honda was widely recommended as attractive for investors wanting an exposure to the U.S. recovery. But the expected strong rebound in the U.S. economy has faded, and Honda has seen its market share there come under pressure. "I expect downward revisions in its earnings, and its stock price won't do anything," Mr. Usher said. Honda has forecast pretax profit of 120 billion yen in the year ending March 31, 1993, down from 130.7 billion yen last year. Koji Endo of S.G. Warburg Securities predicted pretax profit in the April-June and July-September quarters would be 30 to 35 percent below year-earlier levels, at around 10 billion yen a quarter. He said a rise in Honda's selling prices in February eroded its U.S. market share.

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Investor's Asia. Table with columns for Hong Kong, Singapore, Tokyo, Hang Seng, Straits Times, Nikkei 225. Includes various stock indices and their daily, previous, and change values.

Very briefly:

- SmithKline Beecham PLC said it reached an out-of-court settlement requiring nine Japanese drug makers to stop importing, manufacturing and selling a key ingredient of its Tagamet ulcer drug.
Great Wall Electronic International, a Hong Kong audio and television products company said net profit in the fiscal year to March 31 rose 38.1 percent, to 111.2 million Hong Kong dollars (\$14.4 million).
Gold Cup Auto, a Chinese truck and van maker that went public in 1988, will be one of the first companies listed on the Shanghai Stock Exchange from outside the Shanghai area.

BNP. Banque Nationale de Paris had a good year in 1991, following a serious decline in earnings in 1990. It met its targets for profitability, cost control, and risk management.

ROBECO%, ROLINCO%, RORENTO%. Robeco Group, one of Europe's leading investment houses, manages assets of over \$25 billion for 500,000 shareholders. The 1991 reports of the Group investment companies show the success of their cautious, long-term policies.

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SPORTS

Kuala Lumpur Awarded Commonwealth Games Over Australia in '98

BARCELONA — Kuala Lumpur was chosen Tuesday as the host of the 1998 Commonwealth Games...

Now One, Powerful Germans More Than Twice as Good

By Stephen Kinzer
HENNEF, Germany — Like the German Olympic team itself, Marco Rudolph, the world amateur lightweight champion boxer, is brimming with energy and confidence.

training methods, including biomechanics and scientific monitoring of athletes. Because so many athletes have moved to new clubs in the two years since German unification, it is difficult to say how many of the 492 athletes in Barcelona originally come from Eastern or Western Germany.

to have been an informer for the Stasi, the now-disbanded East German secret police force. Several eastern athletes, including a member of the Winter Olympic team, have been exposed as Stasi informers.

Barcelona Games — a swimmer, a runner, and a canoeist — lost their places on the national team after failing drug tests.

ly been powerful, and this year's united rowing team will be no exception. One star of the canoe team is Birgit Schmidt, 30, from Potsdam, who burst onto the Olympic scene as a gold medalist in 1980.

U.S. Routs France in Basketball

MONTE CARLO — The U.S. Olympic team staged a clinic in power basketball in routing France, 111-71, here Tuesday night in a final tuneup for the Olympic Games.

Powell, Drechsler Break Records for Long Jump But Are Foiled by Wind

Compiled by Our Staff From Dispatches
SESTRIERE, Italy — Mike Powell and Heike Drechsler made the longest jumps in history at an international meet Tuesday, but their world records and hopes of winning a Ferrari Testarossa sports car worth about \$200,000 were foiled by a wind blowing above the limit of two meters per second.

Petranoff's Hopes Dim

American-born javelin thrower Tom Petranoff was left off the South African Olympic team Tuesday, and the IOC said that "it doesn't look like he'll be cleared for these Games."

UN Allows Yugoslavs at Games But Bans Team Competition

The Associated Press
UNITED NATIONS, New York — A Security Council committee said Tuesday that individual Yugoslavs could participate in the Barcelona Olympics, but banned team competition, a committee member said.



Mike Powell making his wind-aided long jump of 8.99 meters.

Line?

English teams from 1970 I don't think a rider ever by and how he's in decline. that it will come back day you have to make the not going to do it and just had come when I thought to myself. LeMond was not through. "not," he said. "It's still standards and I think he's really know why you're in Euzeste, a former American and at home until he returned is conducting Tour de France television station.

SCOREBOARD

Table with columns for Major League Standings, American League, and National League, listing teams and their records.

Monday's Line Scores

Table listing baseball game results for Monday, including teams, scores, and key players.

TRANSACTIONS

Table listing player transactions, including trades and signings between various MLB teams.

A Reel Record for Kiwi Yachtsmen

BARCELONA — New Zealand's yachtsmen have set up the first drinking record of the 1992 Olympic Games: 600 cans of beer in a fraction under two hours.

Advertisement for Seiko Barcelona '92 Official Timer, featuring the Olympic rings logo and the Seiko logo.

Large advertisement for AT&T USADirect service, featuring the slogan 'OUT OF YOUR ELEMENT?' and a list of international dial access numbers.

OBSERVER

Forget Birds and Bees

By Russell Baker
NEW YORK — While waiting for the Democratic Convention to pass like a summer squall, I pondered the birds and the bees. Among the questions pondered was: Why so much emphasis on the birds and the bees, and so little on the cats?

Life will be awful when the last Mom-and-Pop, the last corner drugstore and the last neighborhood of talking birds-and-bees is each preserved in its separate bubble at the Smithsonian.

New York Times Service

Russian Voices on Romanovs' Last Days

By Jeffrey A. Frank

WASHINGTON — The execution of Russia's imperial family was mysterious even though no one doubted that the Bolsheviks ordered the killings and no one doubted their motive: Bolsheviks, after all, were happy to do away with Romanovs. But Lenin and his associates lied about the murders, beginning with their insistence that the imperial family had been "evacuated to a safe place" after the execution of Czar Nicholas II.



Edvard Radzinsky (inset); Nicholas and Alexandra surrounded by their children.

His browsing became more fruitful as the glasnost era arrived. Among his discoveries was a document not yet seen by independent researchers: a firsthand account by the commander of the execution squad, Yakov Yurovsky.

PEOPLE

Moscow Real Estate: Solzhenitsyns Stumped

Finding the right house in Moscow isn't all that easy, the Solzhenitsyns are discovering. Natalia, the wife of the exiled writer Alexander Solzhenitsyn, has yet to come up with anything after two months of pouncing the pavements.

Hendrik Hertzberg, who was once a staff writer at The New Yorker, is coming back as executive editor. Tina Brown, the magazine's new editor in chief, has not yet spelled out his duties, however.

Sylvester Stallone had to have nine stitches to close a deep gash in his right hand after he injured himself during the filming of "Cliffhanger" in Italy. But true to his macho "Rambo" image, the actor was back at work 90 minutes later.

Leon Heikley, the New York hotelier, was let out of prison for a half a day to be with her husband, Harry, 83, while he underwent emergency surgery. She was escorted by two guards who were required to keep her in sight at all times.

Recipients of this year's National Medal of Arts are opera singer Marilyn Horne, actor James Earl Ray, country performer Minnie Pearl, sculptor Allan Houston, television producer Robert Siskel, banjo player Earl Scruggs, choral director Robert Shaw, jazz pianist Billy Taylor, architects Robert Venturi and Denise Scott Brown of Philadelphia, film director Robert Wise, AT&T and the Lila Wallace Reader's Digest Fmnd. The awards will be presented by President George Bush at a White House ceremony on Wednesday.

TODAY'S BUSINESS MESSAGE CENTER

PERSONALS: MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world...

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ALCOHOLICS ANONYMOUS: AA meetings in Paris

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